



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0209	Title:	Transfer registered process servers to Board of Private Security Patrol Officers
Primary Sponsor:	Essmann, Jeff	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$1,947	\$1,105	\$1,133	\$1,161
Revenue:				
General Fund	(\$2,500)	(\$2,800)	(\$2,800)	(\$2,800)
State Special Revenue	\$105	\$1,355	\$1,355	\$1,355
Net Impact-General Fund Balance	<u>(\$2,500)</u>	<u>(\$2,800)</u>	<u>(\$2,800)</u>	<u>(\$2,800)</u>

Description of fiscal impact:

This bill transfers the regulation and oversight of the registering of process servers and levying officers to the Board of Private Security Patrol Officers (the board) from the Clerks of District Court. The fiscal impact is due to the cost of the board and the reduced fees.

FISCAL ANALYSIS

Assumptions:

1. This bill changes provisions that govern oversight and regulation of process servers. Under the current structure, a process server who makes more than 10 services in a year files a verified certificate of registration with the Clerk of Court where they reside or do business, and pay a \$100 fee. They have to reregister every 2 years, paying \$100 each time. The \$100 fees are, under 25-1-1103, MCA, forwarded by the Clerk of Court to Department of Revenue. This bill repeals 25-1-1103, MCA. Under the amendment, the process servers would register and be supervised by the Board of Private Security Patrol Officers and Investigators.

2. A committee of the board would meet once in FY 2008 to draft rules which would be presented at a full board meeting for review. The cost for this meeting would be \$322. (2 board members x 1 meeting day x \$50/day = \$100. Average mileage cost per board member \$100 x 1 meeting x 2 members = \$200. Average meal cost per board member \$11.00 x 1 meeting day x 2 members = \$22).
3. The board would notice the proposed rules, have a hearing, and adopt the rules at another regularly scheduled board meeting. This cost is estimated at \$800. (\$200 average cost for court reporter for rule hearing + \$600 for rule notice and publication { \$50/page x 12 pages } = \$800).
4. The cost of reviewing applications for qualifications and issuing new licenses would be \$825. (\$25 postage + \$100 database maintenance + \$250 office supplies + \$250 for printing and forms + \$200 for phone and fax communications = \$825).
5. Total expenditures equal \$1,947 in FY 2008 (\$322 + \$800 + \$825).
6. Licenses will be renewed annually beginning in FY 2009 and expenditures for FY 2009 will be \$1,105. (\$55 postage + \$100 data base maintenance + \$200 office supplies + \$200 phone and fax communication + \$300 temporary services to process renewals = \$1,105)
7. A 2.5% inflation factor has been applied for FY 2010 and FY 2011.
8. The cost of the initial license would be \$35.
9. The cost of renewing the license would be \$25.
10. It is assumed that 47 individuals will be granted process server registration during FY 2008 and three new process servers will apply. The individuals granted registrations and the new process servers will need to renew their registration in FY 2009. Three new individuals will be licensed each year thereafter with an average of 3 licensees not renewing every year beginning in FY 2010. Revenue for FY 2008 is \$105 (3 new licenses @ \$35 each). Revenue for FY 2009 through FY 2011 is \$1,355 (50 licensees renewing @ \$25 each = \$1,250 plus 3 new licenses @ \$35 each = \$105).
11. This bill causes a general fund revenue loss of \$100 per license paid every other year because the fees under this bill will be deposited into a state special revenue account. This fiscal note assumes 50 people are licensed and about half file for a license each year. In FY 2008, total revenue loss to the general fund will be \$2,500 (25*\$100). An additional 3 applicants are expected in FY 2009, so the total revenue decrease in FY 2009 through FY 2011 is \$2,700 (28*100).

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$1,947	\$1,105	\$1,133	\$1,161
TOTAL Expenditures	\$1,947	\$1,105	\$1,133	\$1,161
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$1,947	\$1,105	\$1,133	\$1,161
TOTAL Funding of Exp.	\$1,947	\$1,105	\$1,133	\$1,161
<u>Revenues:</u>				
General Fund (01)	(\$2,500)	(\$2,800)	(\$2,800)	(\$2,800)
State Special Revenue (02)	\$105	\$1,355	\$1,355	\$1,355
TOTAL Revenues	(\$2,395)	(\$1,445)	(\$1,445)	(\$1,445)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$2,500)	(\$2,800)	(\$2,800)	(\$2,800)
State Special Revenue (02)	(\$1,842)	\$250	\$222	\$194

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date